

Assessing the Policy Environment for School Corporation Collaboration, Cooperation, and Consolidation in Indiana

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UPCOMING POLICY BRIEFS AND REPORTS . . .

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- ✓ *The Daily Schedule: A Look at the Relationship Between Time and Academic Achievement*
- ✓ *Indiana's Mathematics and Science Performance: Do We Measure Up?*

For decades, debates on Indiana education policy have periodically focused on the idea of school and district consolidation. These debates have often assumed that school corporations can operate more efficiently, save money for taxpayers, and provide a higher level of service to students in corporations that consolidated or found ways to collaborate more closely. Based largely on these assumptions, the School Corporation Reorganization Act of 1959 reduced the number of corporations (a term synonymous with "districts") in Indiana from 900 to 400 over a period of 10 years.¹ Today, that number has decreased further to a total of 293 school corporations that govern 1,918 public schools. These school corporations and schools provided educational services to 1,045,702 students during the 2006-07 school year.²

Although the push to consolidate school corporations has slowed considerably since the decade following implementation of the Reorganization Act of 1959, it certainly has not become a thing of the past. In fact, school corporation expenditures on administrative, direct non-instructional, and instructional services, as well as the efficiency with which instructional services are delivered to students, have recently received renewed attention across the state of Indiana. As a result, school corporation consolidation and shared services have been rekindled as prominent issues.

The intensity of interest in these areas has resulted in a number of policy actions in the past three years, including: exploration by school corporations in the possibility of additional consolidation; a work group convened by the Indiana

General Assembly to examine school corporation central office consolidation; a subcommittee of the Indiana Government Efficiency Committee examining K-12 education expenditures; and legislation that required the establishment of a new financial management and reporting system for school corporations. Most recently, the state budget bill (HEA 1001-2007) passed by the legislature on April 29, 2007, appropriated \$100,000 to the Indiana Department of Education for use by school corporations interested in studying the feasibility of consolidation or the merging of services with other corporations.

Policy discussions concerning consolidation and cooperative agreements for shared services are not unique to Indiana. These discussions are happening in many states across the nation in response to the increasing pressures placed on educators by state and federal accountability systems as well as shifts in state budgetary priorities.

This Education Policy Brief examines the research regarding the efforts occurring in the United States to consolidate school corporations or form cooperative agreements for shared services. Next, the brief examines more thoroughly those policy levers which are contributing to the elevated discussion concerning consolidation and shared services in Indiana. Finally, based on the body of state and federal research, recommendations to advance the dialogue on consolidation, collaboration, and cooperation are offered for consideration by educators, education interest groups, and policymakers.

NATIONAL OVERVIEW OF THE ISSUES

As educators and policymakers embark on discussions concerning consolidation, research is often sought concerning the optimal size of schools and school corporations. The research has failed to yield any type of consensus on this topic. However, the research does suggest that the factors which affect student achievement to the greatest extent appear to include the following characteristics: smaller school size (300-500 students); smaller class size, primarily at elementary schools; a challenging curriculum; and, highly qualified teachers in every classroom. It has also been shown that states with larger schools and school districts tend to have lower student achievement and social outcomes. This trend is also apparent for larger schools in low SES communities.³

Despite this body of evidence, school districts often decide to consolidate for financial reasons. Other reasons leading to consolidation include reduction of administrative staff, greater utilization of facilities and teachers, and the potential to offer a wider range of programs in all areas of instruction at lower costs. However, the historical outcomes of district consolidation provide many insights that should inform future decisions concerning district consolidation.⁴

The state of Maine is currently weighing the advantages and disadvantages of a major statewide consolidation initiative. Governor John Baldacci called for mandatory consolidation of the state's 290 school districts into 26 regional school administrative districts based on his proposal of March 8, 2007. Consolidation would be required for school units with less than 1,200 students. This would eliminate many of the state's 152 superintendents by replacing the local education agency with regional boards. The course of action was proposed by the Joint Standing Committee on Education and Cultural Affairs after a review of the options and proposals regarding the consolidation of school resources throughout the state. The committee's recommendations were derived from Legislative Document (LD) 804, An Act to Ensure Responsible Government Spending,

Investment, and Educational Efficiency, an education reform plan. Collaboration, the exploratory phase of the committee's proposal, would occur in 2008. Under the proposal, voters in each existing school district would have to approve any consolidation recommendations in 2009. Districts that received voter approval would begin implementation in 2010. To encourage consolidation, the committee is looking at incentives for compliance as well as reasonable consequences for failure to comply.⁵

THE EVIDENCE ON SCHOOL DISTRICT CONSOLIDATION

The most common advantage cited for district consolidation has been cost reduction. However, several other outcomes result from district consolidation which may have an impact on the future decisions made by states and school districts regarding consolidation.⁶

Student Achievement

School officials should be wary of merging several small schools if the goal of the consolidation is to improve performance. Although some research indicates that increased spending on classroom instruction results in improved student achievement,¹² the vast majority of research underscores the reverse: specifically, a close relationship does not appear to exist between the factors of money spent and student performance as indicated by student scores on the Third International Mathematics and Science Study.¹³ In fact, internationally, the U.S. is near the top in spending, and is almost last in achievement gains.¹⁴

Studies indicate that there are no significant effects on school performance after consolidation. In fact, about half of the student achievement research indicates that there is no difference between the achievement levels of students in large and small schools, including small alternative schools, and the other half of the research indicates that student achievement in small schools tends to be superior to that of students attending large schools. However, research has yet to demonstrate that

large schools are superior to small schools in their achievement effects. Consequently, student achievement in small schools is at least equal, perhaps even superior, to the student achievement demonstrated in large schools.¹⁵ This may be due to the fact that school consolidation may result in:¹⁶

- Less participation in decision-making by teachers and administrators;
- More tension between teachers and students;
- More time, effort, and money devoted to discipline problems;
- Less parent-teacher involvement; and
- Less human contact, thereby producing frustration and alienation and a weakening morale of both students and school staff.

Administrative Concerns

In most states, at least 40 percent of every dollar spent on education is spent outside the classroom on administration, support services, and operations.⁷ These costs cover support functions such as transportation, human resources, food services, information technology, and building maintenance. As a way to generate a larger percentage of funds into the classroom and decrease costs overall, school districts are being challenged to provide services in a more efficient and effective manner. One option being considered by school districts in response to this challenge is consolidation. In theory, consolidation enables support functions and services to be shared among the school districts more efficiently, with the overarching goal of saving money.

Although consolidation has been shown to reduce costs in small school districts in the short run, these reductions are replaced in the long run by other expenditures, such as the hiring of more administrators and specialized staff.^{8,9} This negatively affects the tax base and fiscal capacity of the district. Consolidation often becomes politically unpopular, reduces local control, and negligibly impacts educational outcomes. As a result, consolidation may not be the most effective strategy to help drive more money into the classroom.¹⁰

- Conversely, some research suggests that decentralized school systems appear to run more efficiently and produce better student achievement outcomes. This is due to the fact that there is less centralized bureaucracy and staff, and a greater percentage of money going into the classroom. In addition, researchers also found a lower achievement gap between white and minority students at decentralized public school districts. Overall, a decentralized management allows schools to have local control while taking advantage of scale and purchasing power for outside services from a central district office. Here, schools are able to take advantage of shared services that are managed at the district level while still maintaining control over the majority of their budgets.¹¹

Summary of State Policies and Activities About Consolidation

Several states nationwide are incorporating laws regarding consolidation. Table 1 provides examples of state legislation regarding school district consolidation since 2006.

ALTERNATIVES TO DISTRICT CONSOLIDATION

Alternatives to school district consolidation can also incorporate the advantages

that consolidation provides, and often with less controversy. Districts can share services, such as administrative personnel, staff development, equipment, instructional materials, transportation, and special and vocational education. This sharing or contracting of services can help reduce costs, while simultaneously bringing needed services to students. Similarly, districts can implement or increase the use of regional services to help take over services that are normally provided by the districts as a way to increase efficiency. In addition, distant learning offers schools the ability to provide core and Advanced Placement courses that would otherwise not be available or financially feasible.¹⁷

Shared Services

The idea of sharing services has evolved from a number of traditional organizational structures. One common structure was a centralized administration at a headquarters or central support agency, but this strategy often led to administrative inattentiveness. The “independent business unit” was then developed to address the individual needs and resources of each school and community; however this led to massive duplication of activities. Ultimately, shared services incorporate the best aspects of both models, thereby creating organizations that share processes and provide consistent service. According to KnowledgeWorks

Foundation, five broad cost-saving suggestions for shared services include:¹⁸

(1) Staffing:

To accomplish this, a district must look carefully at its own needs and juggle district allocations accordingly; conserve funding by having administrators who also teach; share administrative duties with teachers; share staff; not use substitute teachers, but rather have teachers work in teams to cover for each other; use mentors and tutors; hire adjunct faculty individuals with multiple credentials, young, first-time teachers, retirees, and career changers; and use volunteers.

(2) Educational programs:

This includes having a focused mission, attracting students, limiting the grade range of a school and structuring the course cycle to reduce expenses, and using a central ordering system for ordering and keeping track of supplies.

(3) Services:

Creativity can help increase cost efficiency by offering services through partnerships in the community. These services can include transportation, food services, athletics, and healthcare.

(4) Sources of funding:

Schools are able to raise funds from sources other than state and local fund allocations, a strategy that becomes essential as costs continue to increase. Funds could be raised by renting out space in the school facilities, having

TABLE 1. State Policies and Laws Regarding School District Consolidation, 2006-07^a

State	Status/Date	Summary of Policy / Activity
IN	H.B. 1001 Signed into law 5/07	Provides a total of \$100,000 during the 2007-08 and 2008-09 schools years for school corporation consolidation feasibility studies.
ID	S.B. 1067 Signed into law 3/07	Revises school district consolidation plan requirements and includes feasibility studies and plans for reimbursement.
SD	S.B. 157 Signed into law 3/07	Revises state aid to education formula and sets funding amounts to reimburse districts that choose to consolidate.
KS	S.B. 481 Signed into law 5/06	Increases the amount of time school districts may maintain the combined general fund budgets of two districts and provides the capital outlay state aid program based on the state aid percentage of each of the former districts.
AR	AAC 005.23.06 Rule adoption 4/06	Sets rules governing consolidation or annexation of public school districts and boards of directors of local school districts.
SD	H.B. 1243 Signed into law 2/06	Makes a \$552,209 appropriation to reimburse school districts for consolidation incentives.

^a Education Commission of the States. (2007). *Recent state policies / activities: School districts - consolidation / deconsolidation*. Retrieved May 31, 2007, from <https://www.ecs.org/ecs/ecscat.nsf/WebTopicView?OpenView&count=-1&RestrictToCategory=School+Districts--Consolidation/Deconsolidation>

businesses located in schools, including those that are student-run, trading spaces with other facilities, building shared space, selling memberships for use school facilities and equipment, renting computers, searching for grants to supplement tax dollars and other sources of income, gathering donations from the community, as well as from alumni, sharing space, and recruiting students to increase the per-pupil allocation.

(5) *Facilities design and construction:*

Innovative strategies can be used to secure sites as well as renovate, build, and maintain facilities. This is accomplished through carefully selecting a site based on criteria such as proximity to local community resources, and access to roads, public transportation, and utilities, as well as carefully designing and constructing the building(s) in the most cost-efficient, yet flexible and adaptable manner.

For example, Houston and Dallas, the two largest districts in Texas, formed a five-year partnership in 2002 to increase their buying power for health insurance and reduce duplicative administration by pooling their assets to produce employee health benefits.¹⁹

In order to promote shared services, the state can utilize the tools of budget pressure, financial incentives, and technical assistance.²⁰ To apply budget pressure, noninstructional school spending should become more transparent so that spending can be better observed by the public at large. This is accomplished by dividing the educational budget into instructional and noninstructional categories and placing school management practices under a microscope.

Passage of HEA 1006-2006 by the Indiana General Assembly is an example of this policy approach to invoke shared services (see pages 5-7 for more information on this legislation). Financial incentives have been given to districts that have initiated shared services or demonstrated cost effectiveness. Technical assistance occurs when states have well-developed networks with vendors who can support shared services in which these networks are employed to help school districts.

Additionally, the state can also identify the best practices to use when sharing services.

The following six guidelines are suggested to help decrease the likelihood of missteps that are the usual cause of shared service failures:²¹

1. Conduct an assessment;
2. Develop a business case for change;
3. Communicate to staff and stakeholders early and often;
4. Carefully design the requirements;
5. Create a governance board; and
6. Achieve the right balance between accountability and flexibility.

Shared Resources

Schools may share resources with the community in order to provide more cost-effective services.²² For example, schools can rent space for community events. The MATCH School in Boston illustrates this possibility in its practice of renting out space to a church group for \$17,000 a year. In addition, a school may use space and resources in the community to expand educational programs; in exchange, the community can take advantage of resources that the school already has and can provide. This practice occurs at the Tacoma School of the Arts, a small public high school located in Tacoma, Washington, which uses space at the University of Washington in exchange for allowing the university to use their sculpture studio.

Furthermore, schools can recruit help from local government or community organizations to build its library, fitness, aquatic, and computer centers with the understanding that such facilities will also be available to community residents. This practice can be politically advantageous as well, as taxpayers are more likely to support the school building project due to strengthened community ties.

Shared Personnel

Sharing personnel is another strategy to achieving greater efficiency in small school districts while also greatly reducing costs.²³ The sharing of school person-

nel can occur between schools within a district or between school districts in a similar geographical area.²⁴ In some instances, principals are shared, saving anywhere from \$15,000 to \$50,000 per year. A strong, stabilizing leadership has allowed a superintendent in Nebraska to take on a second district as well, thereby relieving the Laurel-Concord Public School District of approximately half the superintendent's salary.²⁵ Similarly, one superintendent in Iowa oversees two school districts, totaling approximately 1,300 students over 400 square miles. Each district splits the \$115,000 salary of the superintendent rather than him receiving the \$90,000 he was getting as a superintendent of one of the districts. The superintendent spends two days in each district and then spends Friday in both districts as priorities dictate.²⁶

Iowa law has long allowed for shared superintendents, and with the state's districts experiencing enrollment declines, there are predictions that the number of shared superintendents will increase. This is because sharing superintendents is seen as a way to achieve greater efficiency in a rural state where 70 percent of the 370 districts enroll fewer than 1,000 students. In this case, the double duty that superintendents have as they oversee multiple school districts becomes a first step toward merging, and subsequently it can also serve as a money-saver.²⁷ Likewise, two small school districts in Wisconsin joined together to share a superintendent in which they subsequently split her \$120,000 salary.²⁸

In addition to sharing administrators, schools also have the ability to share staff. School districts in California, for example, use staff members to serve as faculty members and to administer and score student assessments for all their schools. Other personnel that have been known to be shared among schools within a small geographic area include chief of security, psychologists, therapists, and nurses.²⁹ This practice is commonplace in special education cooperatives and vocational schools in Indiana and in similar service arrangements in other states.

**SCHOOL COLLABORATION,
COOPERATION, AND
CONSOLIDATION IN INDIANA**

As aforementioned, interest in school corporation collaboration, cooperation, and consolidation has resulted in a number of policy actions in Indiana. Much of the present dialogue about these topics began via a provision of the 2005 state budget bill that called on the Center for Evaluation & Education Policy (CEEP) at Indiana University to study school corporation central office consolidation.

**School Corporation Central
Office Consolidation**

In July 2005, Indiana State Senator Luke Kenley chaired a work group charged with identifying solutions to reduce costs through the consolidation of school corporation central office services. CEEP convened a workgroup and examined 107 school corporations that had corporation-wide enrollments of less than 1,500 students. The emphasis of this work group was to determine ways in which smaller school districts could take advantage of the cost savings available to larger school corporations due to economies of scale. The focus of the work group’s task was on the value of central office consolidation; however, other possibilities which could lead to cost savings for schools were open for examination as well.

This work group identified a number of benefits and obstacles to the consolidation of central office services, as outlined in Table 2. The work group also identified a number of strategies to address the obstacles to central office consolidation. These included identifying best practices for cooperative agreements, service sharing,

and fund flexibility; providing revised data reports which are accurate and relevant; and addressing the obstacles to central office consolidation through legislation, education, and communication.

**Indiana Government
Efficiency Commission: K-12
Education Subcommittee**

The K-12 Education Subcommittee of the Indiana Government Efficiency Commission was established by the Indiana General Assembly to examine K-12 education funding and budgeting as it relates to non-classroom expenditures. After its period of study, the Subcommittee was to make recommendations to increase funding for teacher training and classroom instruction.³⁰ Multiple meetings were convened starting in the fall of 2005 and the Subcommittee completed its work with the submission of a report to Governor Mitch Daniels in November 2006.

The Subcommittee report suggested that school corporations could potentially save money in many areas by privatizing services such as transportation and streamlining the competitive bid process by which construction projects are allocated to private construction entities. In addition, the Subcommittee contended that total administrative costs are in need of reduction and that some form of “structural realignment” is necessary to help reduce these costs. The report also offered the recommendation that if a particular district has uneconomical enrollments or high occupancy costs, it might be best to close down the school and bus the students elsewhere or simply consolidate with another nearby district. However, the Subcommittee emphasized that con-

solidation is not a cure-all for high administrative costs and that policymakers, administrators, and educators need to seek alternate avenues as well. By taking steps in this direction, the Subcommittee argued, administrators will be able to redirect their focus from superfluous, non-instructional tasks, back towards improving teacher quality and classroom instruction.

**Indiana Educational Service
Centers**

There are currently nine educational service centers in Indiana, serving approximately 262 member school corporations and 647,700 public school students.³¹ These nine centers operate with the purpose of performing educational planning on a cooperative basis and assisting each school corporation operating within its region with educational needs and services that could be provided more effectively and efficiently by a cooperative agency rather than the school corporation itself. The service centers provide assistance to schools and corporations in many areas including, but not limited to: professional development, technological services, cooperative purchasing, equipment repair services, and courier/delivery services.

Although the idea behind these centers is in the best interest of the districts, there is some concern that the service centers are not being utilized to their full potential. In its final report, the K-12 Education Subcommittee of the Indiana Government Efficiency Commission suggested that the following actions be taken, among others, to ensure that these centers are performing efficiently, effectively, and optimally:

TABLE 2. Benefits and Obstacles to Central Office Consolidation

Benefits	Obstacles
Enhanced curricular opportunities	Public perception/community relationships
Shared/combined services, pooling of resources	Job loss
Savings of time	Multiple boards
Potential cost savings	No educational benefit
Better communication opportunity	Accuracy of financial analysis

1. Require all public school corporations to participate and utilize the services offered by the centers.
2. Provide the governor with authority to appoint members with education and business backgrounds to the educational service center governing boards to expand leadership beyond superintendents.
3. The governing boards should report to the State Board of Education.
4. Shift purchases that are common across districts to the state level and distribute resources accordingly.
5. Programs with a proven record of success, such as the Florida Office of Program Policy Analysis and Government Accountability's "Sharpening the Pencil" and "Thirteen Ways to Save," should be incorporated so that the centers can focus on the provision of services and avoid "reinventing the wheel."

FinMARS Plan

During the 2004-05 school year, Indiana schools spent approximately \$10.4 billion on instructional and non-instructional activities.³² Although this figure indicates the amount spent on overall education during Fiscal Year 2005, it does not break down expenditures into instructional and non-instructional activities. The Indiana General Assembly passed HEA1006, hereafter referred to as Public Law (P.L.) 191, in 2006 with the desire to make these expenditures more transparent to the public at large. Lawmakers had the goal of "encouraging school corporations to undertake certain actions to save money in nonacademic areas so that more funds might be available for student

learning." In order to make instructional and non-instructional expenditures easier to track, P.L. 191-2006 required the classification of all school expenditures into one of the following four categories: student academic achievement expenditures; student instructional support expenditures; overhead and operational expenditures; and non-operational expenditures. To ensure that the cost-reducing measures were actually effective, lawmakers mandated that the Indiana Department of Education, the State Board of Accounts, and the Office of Management and Budget develop a plan to establish a new financial management, analysis, and reporting system for school corporations. The plan became known as the FinMARS Improvement Plan.

Such large-scale restructuring of Indiana's school financial management practices is a direct response to what has been perceived as an outdated, cumbersome, and complex system of accounting for educational expenditures at the state level. The new FinMARS system, which was targeted for implementation in late 2007, has been touted as a means to improve upon the old system in the following areas: data collection, storage and accessibility; demarcation of educational expenses; production of transparent financial statements and balance sheets; and training of school, district, and state education finance officials. The current system has been recognized as inadequate for its capacity to keep track of where data have been stored and who has accessed or changed the data, leading to numerous data derivations for the same financial information and a loss of overall productivity.³³

The new FinMARS system aims to collect data from schools and districts at one time, house the data in a universally accessible location, and frame the data in definitions that ensure integrity.³⁴ These changes would be possible by a software framework known as the Schools Interoperability Framework (SIF). In addition, SIF could be an effective tool by which finance officials at any level can automatically create the appropriate, easily understandable financial statements in compliance with Generally Accepted Accounting Principles (GAAP).

Under P.L. 191 and the mandate of Indiana lawmakers, the Indiana State Board of Education (SBOE) established a clear set of definitions for the four categories of expenditure during its March 2007 meeting. According to the SBOE, expenditures fall into one of the four categories as follows:

1. *Student Academic Achievement:*
Direct expenditures related to instruction, providing instruction, instructional materials, instructional supervision, activities dealing directly with the teaching of pupils, including teachers, aides, principals, educational media services, textbooks, etc.
2. *Student Instructional Support:*
Expenditures for services which provide administrative, technical, personal, and logistical support to facilitate and enhance the instruction of pupils.
3. *Overhead and Operational:*
Expenditures for the operation of a school corporation including budgeting, payroll, accounting, operation and maintenance of facilities, security, transportation, food services, and purchasing and technology.

TABLE 3. Expenditure Distributions Among the Four Categories^a

Category	2004-05	% of Total	2005-06	% of Total
Academic Achievement	\$5,815,193,231	56%	\$5,768,081,069	54%
Instructional Support	\$664,244,435	6%	\$677,337,779	6%
Overhead and Operating	\$2,171,233,350	21%	\$2,267,148,595	21%
Nonoperational	\$1,792,142,174	17%	\$1,913,451,219	18%
Total	\$10,442,813,189		\$10,626,018,662	

Note: Percentages do not sum to 100% due to rounding.

^a Indiana State Board of Education. (2007). *Analysis of school expenditures pursuant to PL 191-2006*. Indianapolis, IN.

4. *Nonoperational:*
Expenditures such as facilities acquisition, construction, purchase of non-instructional equipment, etc.

During the 2004-05 and 2005-06 school years, Indiana public school corporations and charter schools spent a total of \$10,442,813,189 and \$10,626,018,662, respectively. Table 3 shows the distributions of these expenditures among the newly defined categories of expenditure during each respective school year.

As a component of the planned FinMARS system, the creation of the Indiana School Business Official Leadership Academy was recommended. The academy would ensure that business and finance officials in each district are equipped with an adequate set of skills necessary to cope with a rapidly changing school finance environment. Representatives of the Indiana Association of School Business Officials (IASBO) called for the overall structure of the academy to resemble the Indiana Principal Leadership Academy. In addition, the IASBO advocated that the academy should encompass the following objectives:

- Provide a climate designed to develop and enhance leadership skills and management techniques necessary to enhance efficiency and effectiveness of practicing school business officials.
- Assure an analysis and understanding of the efficient use of resources, alignment of expenditures, and effective reporting techniques.
- Expand the communication skills of school business officials.
- Maximize the utilization of monies in the education system to benefit student achievement.

- Emphasize sound fiscal policies and procedures.
- Advance the professionalism of school business officials.

While there is much promise for a streamlined accounting system such as FinMARS, the Department of Education’s budget request of \$3.5 million for FinMARS implementation was rejected during the 2007 Indiana General Assembly. However, funding of \$150,000 per year was included in House Enrolled Act 1001-2007 for the Indiana School Business Official Leadership Academy. Rather than enable implementation of FinMARS through sufficient funding, the legislature instead delayed implementation of the system until after June 30, 2009. This action implies that the legislature will revisit the funding of FinMARS during the next budget session in 2009.

School Corporation Governance, Staffing, and Finances

The areas of governance, staffing, and finance also have been prevalent topics in the discussion of consolidating the services of school corporations in Indiana. These matters, including the election and composition of the school board, compensation and benefits for faculty and staff, transportation costs, and maintenance of facilities were carefully examined by the three Tippecanoe County school corporations; Lafayette School Corporation, Tippecanoe School Corporation, and The West Lafayette Community School Corporation, as they explored the possibility of consolidating into one county-wide district. For more informa-

tion on the consolidation efforts in Tippecanoe County, please refer to the case study found on page 8.

Currently, there are two possible methods for school corporation reorganization allowed by Indiana law. The first statutory method creates a county-wide committee for the reorganization of all schools within the county. If further reorganization is desired, the county committee is disbanded and the authority to propose further reorganization is ceded to local school boards and the Indiana state superintendent of public instruction (IC 20-23-4-38[b]). Proposals must then be approved by the SBOE and can only be put into effect if a petition is signed by 55 percent of registered voters in the reorganized school district or if the plan is approved in a special election.³⁵

The second statutory method allowed under the 2006 Government Modernization Act allows school districts to reorganize without the approval of the superintendent of public instruction. In this scenario, a committee must be appointed to develop a reorganization plan. When this plan is approved by the school boards, it must be approved by a majority vote in each of the school districts involved in the reorganization process.³⁶

An important consideration in the reorganization process is the composition of the governing body of the consolidated school corporation. The first reorganization method outlined in Table 4 provides six options for determining the composition of a governing school board for a reorganized school corporation.³⁷

TABLE 4. Options for School Board Composition Following Reorganization

✓ All elected members are at-large. Members may live in any part of the district, and all voters within the district vote on all members.
✓ Division of the district into two or more residence districts. One or more members are selected from each residence district. Also have the option of selecting one or more at-large members.
✓ Division of the district into three or more residence districts. If the school board is composed of three members, one member must reside in each one of the residence districts. If a five member board exists, no more than two members may be from the same residence district. If a seven member board exists, at least two board members are elected from each residence district.
✓ Divide the district into two or more electoral districts. Member(s) are elected from each district with no fewer than one less of a majority of members elected at large.
✓ A majority of school board members are selected on an at-large basis, with the remainder selected from electoral districts.
✓ District divided into two or more electoral districts. Board members are elected only from those electoral districts.

Consolidation Considerations in Tippecanoe County: A Case Study Examining Local Decision Making

Tippecanoe County lies approximately 60 miles northwest of Indianapolis and is home to nearly 156,000 people. The county is well known for being the home of the acclaimed Purdue University, one of Indiana's key industrial and manufacturing hubs, and as a mainstay in Indiana's agricultural landscape. Currently, three school corporations exist to educate the many children residing in Tippecanoe County: the Tippecanoe School Corporation, West Lafayette Community Schools, and the Lafayette School Corporation.

During the 2004-05 school year there were roughly 20,000 students enrolled in the three districts with over half of the students attending schools within the Tippecanoe School Corporation. Although the three school corporations are composed primarily of white students, they are quite complex and ethnically diverse from one another. This diversity is typified by comparing the students in the Lafayette School Corporation with those in the West Lafayette Community School Corporation receiving free or reduced lunch (51% vs. 10%), struggling with English proficiency (11.7% vs. 4.9%), and attending special education classes (23.1% vs. 13.2%) (see Table 5). With such diversity, collaboration or consolidation would prove a difficult task. However, in 2005, the Boards of School Trustees for the three school corporations commissioned Drs. Robert L. Boyd and Gregory R. Ulm to conduct a feasibility study (Boyd & Ulm, 2006) examining the advantages and disadvantages of school corporation consolidation. This study explored aspects of school consolidation, including the delivery of curricular and extracurricular programs, and space availability for population changes and possible program expansion. In addition, there were financial, governance, staffing, and technological considerations within the context of this study. The study was submitted to the boards of the respective corporations in November 2006.

TABLE 5. School District Demographic Characteristics (2004-05 School-Year)

	Total Enrollment	Free/Reduced Lunch	Limited English Proficiency	Special Education	White	Black	Hispanic	Asian	Other
Tippecanoe School Corporation	10,589	23%	2.6%	15.7%	87%	2%	5%	2%	4%
West Lafayette Community Schools	1,994	10%	4.9%	13.2%	73%	4%	3%	17%	3%
Lafayette School Corporation	7,137	51%	11.7%	23.1%	71%	8%	16%	1%	4%

^a Boyd & Ulm (2006).

The consolidation of curricular and extracurricular programs and services within the three Tippecanoe County school corporations would provide a number of unique opportunities for students. For example, consolidation of services for educational programs including pre-school programs, full-day kindergarten, drug and health education, teenage pregnancy programs, character education, and anti-bullying programs provides the opportunity for shared services for schools that have limited resources. Additionally, shared resources and services allows each of the schools to support higher achieving students through additional Advanced Placement (AP) courses, and the possibility of offering students the opportunity to participate in the International Baccalaureate program. These options present greater possibilities for meeting the academic needs of students (Boyd & Ulm, 2006).²

Opportunities for enhanced extracurricular programs within a consolidated system were also identified. Consolidation of the three school corporations had the potential to allow for expanded programs, increased access to athletic facilities, and shared costs for transportation, officiating, coaching, facilities, and purchasing within the three school corporations. However, it would also require that policies and procedures be developed for student transfer, eligibility, and athletic membership (Boyd & Ulm, 2006).

School corporation consolidation in Tippecanoe County also affords the opportunity to revisit the boundaries in place for neighborhood schools. Based on the changing demographics within the county and the three school corporations, modification in school boundaries and educational program offerings had a considerable effect on the educational opportunities available to students. The authors of the consolidation study indicate that equity in educational opportunities is an important consideration that may outweigh the financial benefits of school consolidation (Boyd & Ulm, 2006).

With regard to staffing, several issues were identified when school corporation consolidation was considered in Tippecanoe County. These included the impact of consolidation on collective bargaining agreements, employee compensation, and insurance programs. Specifically, collective bargaining presented two issues that required immediate attention if a consolidation plan moved forward. First of all, there was no established method by which to resolve the employment terms if an agreement was not reached prior to the formation of the new school corporation. In addition, there was very little discussion about how differences, such as salary schedules, were to be addressed (Boyd & Ulm, 2006).

Additionally, variances in group insurance plans between the three school corporations would need to be reconciled prior to the formation of a consolidated school corporation. Corporation financial issues including transportation, food service, and facilities maintenance must be taken into account. Furthermore, tax rates within each of the school corporations must be considered in conjunction with each of the aforementioned financial obligations. As was noted in the Tippecanoe County School Consolidation Study (Boyd & Ulm, 2006), tax levies may not simply be the summation of the levies from the consolidating corporations, but may need to be established once the consolidation is complete.

According to the consolidation study, and as a result of the highly complex state funding formula, the Tippecanoe County Consolidated District would have received an additional \$3.8 million in total funding for the 2004-05 school year. This additional sum can best be expressed by an additional \$197 per Average Daily Membership (ADM). ADM represents the average number of students present in a school district during the year. So essentially, consolidation would provide an additional \$200 per student. Despite the expected increase in funding, the consolidation report suggests that if the three corporations were to merge, property tax rates for residents in Tippecanoe School Corporation and West Lafayette Community School Corporation would drop, while those residents living in the boundaries of Lafayette School Corporation would see a slight increase in the property tax rate assessed to their property.

After careful examination and consideration of the proposals offered in the consolidation study, the three school districts determined that “the increase in funding did not offset the loss of local control they felt would accompany consolidation” (see Policy Perspective on page 10). The districts felt that their needs could best be served by continuing to operate as individual school corporations; however, they established a committee that is to meet annually to discuss the myriad ways that the three districts can “collaborate and cooperate” in order to provide a stronger future for the students and the surrounding communities.

Dr. Edward Eiler, superintendent of the Lafayette School Corporation, has presented a detailed account of the Tippecanoe consolidation attempt in his Policy Perspective letter on page 10. In addition, Dr. William Carnes and R. Steven Gookins have submitted similar Policy Perspectives relating to consolidation efforts they led as superintendents of Indiana school corporations.

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Policy Perspective

OPTING OUT OF CONSOLIDATION IN TIPPECANOE COUNTY

Edward E. Eiler, Ed.D.



In 2005 the Lafayette, Tippecanoe, and West Lafayette School Corporations expressed an interest in examining the advantages and disadvantages of school consolidation. Towards that end, private funding was secured and proposals were requested to examine a number of issues including the impact on: curricular programs, the need to construct or remodel school facilities, administrative and support services, staffing, class sizes, distribution of poverty and grant eligibility, funding, governance, tax rates, labor contracts, our special education cooperative, technology infrastructure and software, schedules, school calendars, and extracurricular programs.

Subsequently, studies were undertaken wherein Dr. Greg Ulm of Indiana State University examined curriculum, Dr. Bob Boyd of Indiana State University analyzed the impact on the need to construct school facilities, Educational Services Company examined the financial and governance implications, and Mr. Steve Hare examined the technology issues. Their comprehensive final report is posted on the Lafayette School Corporation website at www.lsc.k12.in.us. The purpose of these studies was to create data that could serve as a basis for discussion by the respective boards of school trustees.

The report is instructive in several ways. The first observation to be made is that the easiest point around which consensus can be built is when the proposed change results in increased academic opportunities for students. In our case, each school district has comprehensive programs and meets the needs of children in different ways. There was interest in finding ways in which the three districts could cooperate to increase educational opportunities for students. The boards felt this could be accomplished without consolidating.

A second finding was that under the existing school funding formula the merger of the three school corporation would result in increased state funding of approximately five percent. However, this increase would be offset somewhat by decreased federal funding. The circumstance of increased funding was true in the case of the three school corporations in Tippecanoe County, but a careful analysis would need to be undertaken to determine under what circumstances a possible merger would result in increased funding and which circumstances result in the same or possibly reduced funding. In the case of Tippecanoe County tax rates in two of the three school districts would have decreased.

One of the most often cited reasons for consolidation is the perceived savings that comes as a result of more efficient staffing. In the case of the school districts in Tippecanoe County, the combined staffing tables yielded staffing ratios in every area of staffing very much in line with similar sized school districts. It should be pointed out that if just Lafayette and Tippecanoe School corporations were to combine, the resultant school district would be the fifth largest district in Indiana.

The staffing patterns to which the proposed consolidation was compared were not models the majority of patrons in any one the school districts in Tippecanoe County would find acceptable. The one area of possible savings was in the area of central office administrative staffing. However, such savings would result in less than a fraction of one percent of the total operating expense of the combined districts.

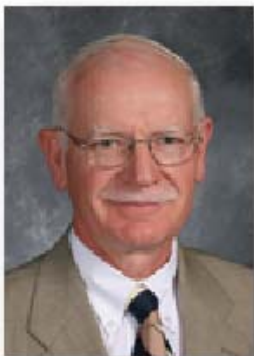
Another finding was that consolidation would have minimal effect on the need for facilities. This finding may well differ from other districts considering consolidation. Two final challenges were the merging of labor agreements and technology infrastructure.

Our study does suggest there may be an optimal size for districts; a size that assures adequate curricular opportunities, yet allows sufficient local control. The study also suggests there is a size beyond which economies of scale have already been realized and it does not make sense to consolidate further. The circumstances in Indiana also cause one to ask whether other governance structures should be examined. Specifically, whether a regional board could be created that handles some functions while delegating other issues to local boards.

In the final analysis, the school districts in Tippecanoe County reached the conclusion the gain in funding did not offset the loss of local control they felt would accompany consolidation. The respective boards have adopted a resolution which creates a standing committee charged with meeting at least annually and exploring ways the three school districts can cooperate and collaborate.

Edward E. Eiler is Superintendent of the Lafayette School Corporation

Policy Perspective



The debate to consolidate schools has been ongoing in Indiana for many years. The topic of consolidation is more emotional than rational.

I have some personal experience in promoting the consolidation of a rural school. My first effort was in 1984. Two rural school corporations needed to make facility improvements. It appeared that in the best interest of students and taxpayers this would be far more efficient by consolidating the two districts and offering more educational opportunities, while at the same time being much more cost-effective for taxpayers. I repeated the effort in 1988, and, like in 1984, this attempt failed. The end result was both school corporations eventually built buildings. They duplicate services yet today with limited educational opportunity.

As adults, we choose the place we want to live and work. We say we want the best for our children, but we build a wall around a school district. We tell children this is where they'll go to school even if it has limited curriculum opportunities. We don't operate in the most efficient manner. We get caught up in "school spirit." We use the phrases, "bigger is not always better," or "this is where I went to school." As adults, we find every emotional reason to deny children the opportunity of educational excellence.

Twenty years later, I'm still a proponent of consolidation. We have learned many things about the concept, but we still have barriers to overcome. Indiana has many small to medium-sized school corporations that would be more efficient and could provide more educational opportunity through consolidation.

There are 293 public school corporations in the state of Indiana; approximately 265 of them have a declining enrollment.

CONSOLIDATION IF NOT NOW, WHEN?

R. Stephen Gookins

In my opinion, an ideal school corporation would range from 2,500 to 5,000 students. This district size would generate state dollars to support a diverse and rigorous curriculum.

Indiana needs to focus more on all of our students' academic needs rather than extracurricular wants.

I'm not critical of what small corporations are doing. I am a product of a small rural school. I have experience as a teacher, principal, and superintendent in a small rural school. I now have the opportunity to work in a medium-sized school corporation of 2,700 students.

Governor Daniels and the Indiana General Assembly are to be commended, in my opinion, for legislative efforts in 2006. With the enactment of House Bill 1006 and other legislation, opportunities have been afforded to school corporations to work in a more cooperative manner and implement business principles; e.g., health insurance consortiums, natural gas cooperatives, and the formation of insurance risk pools. Education service centers and school corporations are working in a more collaborative way. School corporations have gone the first mile, but have many miles to go.

Two examples: A county in central Indiana has six corporations ranging in size from approximately 650 to 2,700 students. Another county has five corporations ranging from 450 to 1,750 students. Many small school corporations struggle to find licensed teachers in critical areas such as physics. We duplicate many services at the expense of taxpayers and deny educational opportunity for students. East Central Indiana has three corporations with enrollments of 850, 1,250, and 2,700, who could consolidate with less than 5,000 students. All three corporations have a declining enrollment. All three corporations duplicate services. The point: Consolidate the governance of the districts and never close a building and you will save \$1 million of taxpayers' money that can be invested in educational opportunity.

If one corporation is formed, the students may go to the building of their choice, as long as there is space, with the opportunity of diverse K-12 curriculum.

As President Ronald Reagan directed to President Gorbachev of the Soviet Union in reference to the Berlin Wall, "Mr. Gorbachev, tear down this wall." I profess, "Hoosiers, tear down the walls that restrict educational opportunity for our children. Save our taxpayers money and expand the vision and the opportunity so our children of the 21st century have the same freedom of choice we offer our adult community."

I encourage Indiana legislators to explore more options for school consolidation. Local school boards are in a difficult political position, with 100 percent of our property taxpayers supporting our schools, but only 30 percent who have children in school, they hear from the vocal minority. Most school boards are elected in a primary with low voter turnout. Indiana has more negative votes with school board elections than positive votes. I recommend all school board elections be moved to November. More importantly, I encourage State legislators to step up and demonstrate statesmanship. Many times they represent multiple school districts.

Schools, like corporations, can be too large and lose their efficiency as well as their personal responsibility for the student and the taxpayers. But Indiana is far from facing that crisis. Instead we are denying children educational opportunity because of our narrow views.

As we continue to explore opportunities for our students. We need to discuss consolidation, while considering the student and taxpayer. Our Hoosier children deserve our best efforts.

R. Stephen Gookins retired as Superintendent of the Delaware Community School Corporation at the conclusion of the 2006-07 school year

Policy Perspective

THE CHALLENGES AND TRIUMPHS OF A SUCCESSFUL SCHOOL CORPORATION CONSOLIDATION INITIATIVE

William J. Carnes, Ed.D.



There is an ancient superstition about a fearsome sea monster called the Kraken, who could be called upon to avenge those who were wronged. The Kraken was not a precision instrument, but an instrument of total destruction. The Kraken lived far from land and those who prayed for revenge didn't fully fathom its power; they failed to understand that once the monster was released, the innocent and guilty alike would pay the price of its devastation.

I often tell this story to illustrate the obstacles faced by school boards and educators when they attempt to change public education by doing something dramatic — something that could really make a difference in accomplishing their educational mission. Nowhere is this truer than with school consolidation. Why would anyone take on such a formidable task and pay a high personal and professional price? Unless a compelling case was made, this treacherous journey might be one to avoid. So the question of the day is, “Why bother?”

Whitley County Consolidated Schools was the very last school district in Indiana to consolidate. Many may not even remember the governance model prior to the one utilized by Indiana schools today. School districts are now governed by a Board of School Trustees which hires the superintendent. More often than not, the board members are elected. The old model was decidedly different; previously, there were townships and each had a separate school that was administered by the Township Trustee. In 1959, the state of Indiana passed a Reorganization Act that compelled school districts to consolidate. This monumental task began in the 1960s and continued until all but one school district remained standing under the supervision of township trustees.

Whitley County was successful in avoiding the initial consolidation wave. In the 1950s, recognizing the need to provide a quality high school experience, the township trustees formed a joint high school. The trustees were able to keep their K-8 buildings and the city was able to operate a separate school system as it always had, but all students would now attend one high school, governed by a joint school board. It worked — for a long time. Limited resources began to take a toll and it became more of a challenge to operate separate elementary schools and still pay the tuition costs associated with a joint high school. Seven attempts were made to consolidate and all were unsuccessful. The buildings kept getting older while operating dollars grew scarce. By 1991, consolidation was finally approved by the voters and the Kraken was unleashed!

There has to be a compelling force that would cause people to take such drastic steps to solve their problems. In the case of Whitley County, the state of Indiana refused to approve upgrades to old school buildings that were beyond their usefulness. Leaders of the community strongly believed that this new school district would be better for children. To create this better school system, all that was necessary was to survive the trials and tribulations of consolidation. Therefore, the community began the task of resolving all the issues incumbent upon consolidation...one problem at a time.

The initial stages of the consolidation were some of the most challenging and difficult times for a board and superintendent. No one really knew the extent of the debt that had been incurred under the old system. Shortly after consolidation, a loan had to be secured to pay past-due bills. The state of Indiana granted some additional funding with the belief that a supplemental budget would be needed if success was to be achieved. Even with this additional help, the toll it was taking on leaders was tremendous. Within a brief period of time, the first superintendent left and many of the original board members chose not to run for reelection. In spite of these challenges, the district moved forward.

(continued on next page)

William J. Carnes is a Senior Education Consultant for MGT of America, Inc. He served as a public school superintendent in Indiana for 21 years.

(William Carnes letter, continued)

I was selected as the second Whitley County superintendent in 1994. Of the many challenges the school district faced, none were as daunting as the building issues. Within a period of 12 years, Whitley County Consolidated Schools closed six buildings, built a new middle school, a new elementary school, and renovated three existing facilities. The Marshall Community Center, a cooperative venture with other public/private organizations, was created from one of the school buildings scheduled for abandonment. Closing these buildings required the district to initiate two major redistricting efforts that affected virtually every child in that district. Bus routes had to undergo massive changes because none of the present routes worked any longer; almost every educator had to change assignments. Any one of these issues was a challenge. Doing all of them at the same time was an adventure — one that required our best survival skills.

Building issues were not the only challenges. Many programs and opportunities were available to some children but not to others. A new teachers' union was formed, and a solid relationship had to be built that recognized its role in the change process and respected its input. Pay schedules for each employee group were so dramatically different within the township trustee system that the inequalities were a huge concern. The community faced each of these challenges head on, analyzed them carefully, voiced their opinion, and supported the decision that was made by the board.

In 2006, after 12 years as superintendent, I passed the mantle to the next superintendent and school board. Looking back from the perspective of time, my memories are more of the successes we enjoyed rather than the struggles we endured. Not so surprising to us, but certainly surprising to others, was the fact that we did not save money because of the consolidation; rather, we focused on aligning the resources consolidation generated so we could do the things we now wanted for our students.

The education world had changed and we needed to respond to those changes. Consolidation gave us the chance to make those changes. We became a school district driven by the principles of the Baldrige Model of Continuous Improvement, which allowed us to understand just how complicated but important the alignment process is to success. We were a data-driven organization that really understood how the right data could help us change.

So we are back to the question, “Why bother?” Is the price to be paid worth the benefits that will be achieved? If this is a story about how one school district survived the perils of consolidation, then it would be a poor story indeed. This experience convinced me of one thing: another round of consolidation is an option that must be considered if we are to rise to the monumental challenge that has been given to public educators. Here is why we must “bother” with school consolidation and consider this as you contemplate unleashing the Kraken in your own community.

We cannot be a business that educates the best and ignores the rest. If our state and nation would like educators to achieve “world class status,” then a world class budget is necessary. We do not have the funds to accomplish what is being asked of educators if we are serious about educating every child. To fulfill this mission means that we have to solve societal problems that no one else has ever been able to unravel. We need far more resources committed to public education than we have ever seen previously.

To resolve the debate about whether school funding is important in accomplishing the new mission, it is necessary that school leaders propose a dramatic action plan that will allow for a major re-alignment of our existing resources. Consolidation gets that done. Educators have to face one of the harsh realities about our present governance model.

We have far too many small school districts in our state and nation. There are numerous school districts that are perfectly positioned to consider consolidation, but they can't do it alone; there has to be an outside force that serves as the catalyst to empower school districts to enter into real conversations about consolidation. Schools will need a grant, much like the one given to Whitley County in the early days of consolidation, to assist in this difficult task. School corporations deserve a significant financial reward once they have successfully completed the consolidation effort.

Unleashing the Kraken should never be done lightly, as doing so means that the landscape of public education will never look the same. Consolidation signals that permission has been given to design new processes that might actually produce different results. Educators can and will achieve the results necessary to educate every child in their care, one child at a time. The time has come to give them what they need to do so.

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CONCLUSIONS AND RECOMMENDATIONS

Conclusion #1

The most common advantage cited for school district consolidation has been the overall reduction of costs. However, the research is not compelling that cost savings consistently result from consolidation initiatives. The national literature on consolidation most steadily argues that some cost savings are realized when small, and, typically, rural school districts merge. On the other hand, the research is certainly more convincing that consolidation efforts have no significant effects on school performance; rather, higher academic achievement in schools is a result of lower rates of poverty. Considering this information, and given that there are approximately 20 school corporations in Indiana with less than 750 students, there is merit for further examination of the smallest school corporations to increase financial efficiencies and economies of scale.

Recommendation

As discussions continue in Indiana about school corporation consolidation, education leaders and policymakers should consider the body of evidence about the general effectiveness of these policy strategies. Motivations to consolidate should be clearly vested in the increased efficiency of school corporation operations and not with expectations of improved academic results. Whether these actions are initiated locally or at the state level, measurable goals and outcomes of consolidation must be identified and evaluated.

Conclusion #2

Several states have responded to the recent consolidation, cooperation, and collaboration buzz by merging districts or sharing services, resources, and personnel. Indiana has heeded the call by establishing a work group to examine school corporation central office consolidation, creating a subcommittee of the Indiana Government Efficiency Commission to examine K-12 education expenditures,

passing legislation requiring the establishment of a new financial management and reporting system for school corporations, providing \$100,000 for consolidation feasibility studies to be initiated by school corporations, and creating and funding the Indiana School Business Official Leadership Academy at \$150,000 per year. These efforts have proven timely and essential in generating meaningful discussions about consolidation and shared services around the state.

Recommendation

The smallest school corporations in the state should be encouraged by the IDOE to participate and collaborate in the use of the \$100,000 per year earmarked by the legislature for feasibility studies that are to examine the prospects of consolidation or merging services with another corporation. All studies conducted locally should be submitted to the IDOE for compilation and analysis. In turn, the IDOE should report the findings of these studies to all corporations throughout the state. If, and when, consolidation occurs the IDOE should track the outcomes of these initiatives and identify best practices. Finally, the Indiana General Assembly should consider establishing and funding implementation grants for school corporations that move forward with consolidation initiatives after the period of initial study.

Conclusion #3

Research more definitively supports school district efforts to pool resources or share services, while maintaining local autonomy, to reduce costs and simultaneously bring or enhance needed services to students. Shared services contribute to the lowering of capital, personnel, administrative, and development costs, while reducing the duplication of services. Efforts in Indiana to make school corporation expenditures more transparent have provided an incentive for increased levels of local collaboration and cooperation.

Recommendation

The Indiana General Assembly should provide financial incentives to school corporations who demonstrate increased

efficiency or cost-saving results through consolidation or shared services. One incentive could be allowing the school corporations to move a portion of their savings to their General Fund account, regardless of which fund or account the savings were derived from, to be used for instructional expenses.

In addition, both the IDOE and the legislature should establish a firm timeline for full implementation of the FinMARS system. Clear guidance should be communicated to school corporation administrators for the timelines anticipated for full implementation of this system. It is apparent that FinMARS will not be implemented until 2009-10 at the earliest, which gives sufficient time for planning and preparation locally. Guidance from the IDOE about FinMARS implementation should be incorporated into the training curriculum for the Indiana School Business Official Leadership Academy.

Conclusion #4

A total of nine education service centers operate in all regions of the state of Indiana with the purpose of assisting each school corporation within its region with educational needs and services. These services could be provided more effectively and efficiently by a cooperative agency rather than by the school corporations themselves. Education leaders and policymakers agree that the education service centers provide important services that can be enhanced or expanded.

Recommendation

The Indiana State Board of Education and/or the Indiana General Assembly should empower and fund the education service centers to expand and enhance the services they provide to school corporations in the following areas: statewide video streaming and distance learning opportunities; targeted professional development and technical assistance services tied to school improvement planning for schools in need of improvement under the federal and state accountability systems; expanded risk and liability insurance; development of health-care trusts for school corporations not presently part of a trust; and conducting

statewide bids on school bus purchases. Where appropriate, the education service centers should coordinate with the Indiana Department of Education to accommodate statewide purchasing, perhaps in the areas of bulk purchasing and insurance, to realize additional cost savings.

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